



# State of New Hampshire

## Banking Department

53 Regional Drive, Suite 200  
Concord, New Hampshire 03301

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November 15, 2017

VIA ELECTRONIC MAIL (j [REDACTED] com)

Attention: Mr. J [REDACTED] PhD  
Founder and Chief Executive Officer  
[REDACTED] LLC

Re: [REDACTED] LLC Bitcoin Kiosk:  
Money Transmitter No Action Request: Docket #17-222

Dear Mr. [REDACTED]:

The New Hampshire Banking Department ("Department") reviewed your electronic mail correspondence dated November 3, 2017, and subsequent communications through November 7, 2017. You asked the Department for a determination as to whether or not [REDACTED] LLC's New Hampshire-located bitcoin kiosks require a New Hampshire Money Transmitter license. [REDACTED] LLC ("[REDACTED]") owns and operates the bitcoin kiosks. During the course of your communications with the Department, you explained the following:

1. The [REDACTED] bitcoin kiosk can sell and purchase bitcoins.
2. All bitcoins sold by [REDACTED] to a user-buyer through the kiosk will be owned by [REDACTED] prior to sale and sold directly by [REDACTED] to the user-buyer.
3. All bitcoins purchased by [REDACTED] to a user-seller through the kiosk will be owned by user-seller prior to sale and sold directly to [REDACTED].
4. No transactions are carried on by any third parties.
5. [REDACTED] is not acting as an agent or representative of any third party or buying or selling such bitcoins through an exchange. These are stand-alone sales or purchases.
6. For a sale of bitcoin, the [REDACTED] kiosk will dispense cash to the user-seller.
7. For a purchase of bitcoin, the [REDACTED] kiosk will transfer the bitcoins to the user-buyer's bitcoin wallet (either Mycelium or Breadwallet). Neither Mycelium nor Breadwallet holds fiat currency.

***Department's Position as to a Money Transmitter License:***

New Hampshire RSA 399-G:1, XVI defines "money transmission" as "(a) engaging in the business of selling or issuing payment instruments or stored value, or (b) receiving money or monetary value for transmission to another location." Further, effective August 1, 2017<sup>1</sup>, persons "who engage in the business of selling or issuing payment instruments or stored value solely in the form of convertible virtual currency or receive convertible virtual currency for transmission to another location" are exempt from New Hampshire money transmitter licensure requirements, though such persons "shall be subject to the provisions of RSA 358-A."

██████ does not require a Department-issued money transmitter license as it is not in the business of selling or issuing payment instruments or stored value. ██████'s business model is not to issue or sell stored value but rather only to sell bitcoins for its own use or purchase bitcoins for its own use; the temporary credit is integral to the sale of the good itself (bitcoin) and is immediately available once the sale is completed at the bitcoin kiosk.

██████ does not require a Department-issued money transmitter license as it does not transmit money or monetary value from one location to another as required by RSA 399-G:1, XVI(b). ██████ is a bitcoin kiosk wherein ██████ itself sells or purchases bitcoin to or from a user-buyer/seller, not to or through a third-party exchange. The Mycelium and Breadwallet bitcoin wallets used to store or transmit the bitcoins are not considered stored value pursuant to the RSA 399-G:3, VI-a virtual currency partial exemption.

This letter is based solely upon the accuracy and completeness of the representations you made in your communications with the Department. Nothing precludes the Department from arriving at a different conclusion or from taking other action should circumstances change or should any of the information you provided prove inaccurate, incomplete or inapplicable. Should you have additional details or additional changes to your inquiry, please remember this letter will not apply to those new additions. If you have any questions, please do not hesitate to contact me.

Sincerely,



Maryam Torben Desfosses  
Hearing Examiner  
Legal Division

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<sup>1</sup> RSA 399-G:3, VI-a.